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**INFORMATION REPORT**

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THIS IS UNEVALUATED INFORMATION

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1. On the strength of a decision taken by the Praesidialkanzlei in late October 1953 after approval of the Central Committee of the SED had been obtained, the new Ministry for Heavy Industry is to start its official existence on 1 November 1953. It will be headed by Fritz Selbmann, now Minister of Mining and Smelting. The new Ministry will be located at Leipzigerstrasse 5-7, seat of most of the main administrations of which the new Ministry will be composed. The central departments of the new Ministry will be located in that government building at Friedrichstrasse in East Berlin where the Central Commercial Department of the Ministry for Mining and Smelting has been located for the last few years.
  2. In late October 1953, the administrative personnel of the present main administrations of which the new Ministry will be composed were notified that Fritz Selbmann will announce in a meeting of all personnel concerned to be held on 5 November 1953 that the new Ministry is to be formed and that it will take over the affairs of several main administrations formerly affiliated with various government services, retroactively as of 1 November 1953. However, it is known that all planning measures bearing on the activity of the new Ministry in 1954 will start with the effective date of 1 January 1954. From 1 November 1953 through 31 December 1953, the new Ministry will finance its activities from the 1953 budgets of its component parts.
  3. The new Ministry will be composed of the five administrations which were affiliated until end of October 1953 with the State Secretariat for Chemistry, of three administrations affiliated with the Ministry for Mining and Smelting, of two main administrations possibly affiliated with the State Secretariat for Coal, and of two main administrations currently affiliated with the State Secretariat for Power. In addition, the new Ministry will include a number of central departments to be formed from the central departments of the government agencies listed above.
  4. When it is transferred to the new Ministry, the Main Administration for Heavy Chemistry of the State Secretariat for Chemistry will give up all plants under it which produce oxygen. They will be transferred to the

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control of local industry (District Control). The SAG enterprises in Leuna, Schkopau (Buna) and Piesteritz will be affiliated with the Main Administration for Heavy Chemistry under the new Ministry as of 1 January 1954, when these enterprises are scheduled to be returned to the German economy. Only 20 to 22 of all enterprises under the Main Administration for Potash and Non-Ore Mining will be retained by the main administration when it is placed under the new Ministry. The remaining enterprises--mainly saline plants and enterprises producing fluorspar and heavy spar-- will be transferred to the control of local industry. The Main Administration for Liquid Fuel will lose the following six plants to local industry:

- a. VEB Schmierfettfabrik Brandenburg
- b. VEB Schmierfettfabrik Miessie
- c. VEB Schmierfettfabrik Burg
- d. VEB Schmierfettfabrik Leipzig
- e. Vereinigte Asphalt-und Teerprodukte (VAT) Teltow  
(now under the Administration of enterprises with foreign capital).
- f. VET Dresden (under the same administration as (e) above).

On the other hand, the number of enterprises under the Main Administration for Liquid Fuels will be increased as of 1 January 1954 by the SAG enterprises in Schwarzheide, Seitz and Espenhain. The Main Administration for Organic Chemistry will give up all enterprises producing soap and cosmetics; they will be affiliated with the Ministry for Light Industry. The Main Administration for Synthetic Materials will lose the enterprises under its control which produced pressed matter (Presstoff); these will go to the Ministry for General Machine Construction. The enterprises producing cellulose and artificial silk will be transferred to the Main Administration for Light Industry.

5. The changes indicated above concerning the transfer of all the main administrations of the State Secretariat for Chemistry to the new Ministry for Heavy Industry were decided upon in late October 1953. It was originally planned to transfer only the Main Administrations for Heavy Chemistry, Potash and Non-Ore Mining and Liquid Fuels to the new Ministry. At the last minute, however, it was decided to transfer all five main administrations.

- 25X1 1.   Comment: Probably the new Ministry of Machine Construction (formed in November 1953).

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